

LIQUIDITY SERVICES INC

Form 4

November 03, 2016

**FORM 4****UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

Check this box  
if no longer  
subject to  
Section 16.  
Form 4 or  
Form 5  
obligations  
may continue.  
*See* Instruction  
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF  
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,  
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section  
30(h) of the Investment Company Act of 1940

## OMB APPROVAL

OMB  
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(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Rallo James M

(Last) (First) (Middle)

C/O LIQUIDITY SERVICES,  
INC., 1920 L STREET, N.W., 6TH  
FLOOR

(Street)

WASHINGTON, DC 20036

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading  
Symbol  
LIQUIDITY SERVICES INC  
[LQDT]

3. Date of Earliest Transaction  
(Month/Day/Year)  
11/01/2016

4. If Amendment, Date Original  
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_ 10% Owner  
\_\_\_\_X\_\_\_\_ Officer (give title \_\_\_\_ Other (specify  
below) below)  
President RSCG

6. Individual or Joint/Group Filing(Check  
Applicable Line)  
\_\_\_\_X\_\_\_\_ Form filed by One Reporting Person  
\_\_\_\_ Form filed by More than One Reporting  
Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
Common Stock	11/01/2016		J <sup>(19)</sup>	11,054 A	\$ 8.56 11,054	D	
Common Stock	11/01/2016		S <sup>(20)</sup>	11,054 D	\$ 8.56 0	D	
Common Stock					15,039 <sup>(1)</sup>	I	By James M. Rallo 401k
Common Stock					8,000	I	By James M. Rallo

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Common Stock	685	I	IRA By James M. Rallo Cust. Michael Rallo MD UTMA <sup>(2)</sup>
Common Stock	460	I	By James M. Rallo Cust. Melissa Rallo MD UTMA

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Employee Stock Option	\$ 7.48					<u>(3)</u> 10/01/2018	Common Stock 2,338
Employee Stock Option	\$ 15.47					<u>(4)</u> 10/01/2020	Common Stock 6,678
Employee Stock Grant	\$ 15.47					<u>(5)</u> 10/01/2020	Common Stock 5,527
Employee Stock Option	\$ 31.37					<u>(6)</u> 10/01/2021	Common Stock 12,358
	\$ 38.09					<u>(7)</u> 10/01/2022	3,335

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Employee Stock Option								Common Stock	
Employee Stock Grant	\$ 29.47				<u>(8)</u>	07/18/2023	Common Stock	3,054	
Employee Stock Option	\$ 29.47				<u>(9)</u>	07/18/2023	Common Stock	24,871	
Employee Stock Grant	\$ 21.99				<u>(10)</u>	10/01/2023	Common Stock	1,173	
Employee Stock Option	\$ 21.99				<u>(11)</u>	10/01/2023	Common Stock	9,938	
Employee Stock Grant	\$ 13.57	11/01/2016	J <u>(19)</u>	11,054	<u>(12)</u>	05/14/2024	Common Stock	22,108	
Employee Stock Grant	\$ 10.41				<u>(13)</u>	10/01/2024	Common Stock	30,867	
Employee Stock Option	\$ 10.41				<u>(14)</u>	10/01/2024	Common Stock	12,675	
Employee Stock Grant	\$ 6.63				<u>(15)</u>	10/01/2025	Common Stock	19,140	
Employee Stock Grant	\$ 6.63				<u>(16)</u>	10/01/2025	Common Stock	6,380	
Employee Stock Option	\$ 6.63				<u>(17)</u>	10/01/2025	Common Stock	13,987	
Employee Stock Option	\$ 6.63				<u>(18)</u>	10/01/2025	Common Stock	3,497	

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Rallo James M C/O LIQUIDITY SERVICES, INC.			President RSCG	

1920 L STREET, N.W., 6TH FLOOR  
WASHINGTON, DC 20036

## Signatures

/s/ Mark A. Shaffer, by power of  
attorney

11/03/2016

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).  
The number of securities shown as being held in Issuer's 401(k) account for the Reporting Person's benefit is the approximate number of shares of common stock. De minimis fractional interests reported by the Issuer's 401(k) Plan trustee/administrator and held indirectly through the Plan's stock purchase account are not reflected.
- (1) shares of common stock. De minimis fractional interests reported by the Issuer's 401(k) Plan trustee/administrator and held indirectly through the Plan's stock purchase account are not reflected.
- (2) Mr. Rallo disclaims beneficial ownership of these shares.
- (3) These options became fully vested on October 1, 2013.
- (4) These options became fully vested on October 1, 2014.
- (5) These restricted shares will vest, if at all, based on the Issuer's achievement of certain financial milestones.
- (6) These options became fully vested on October 1, 2015.
- (7) These options became fully vested on October 1, 2016.
- (8) Twenty-five percent of this restricted stock grant vested on July 1, 2014 and thereafter 1/4th of the restricted stock grant will vest on July 1 of each year for three years.
- (9) Twenty-five percent of this option grant vested on July 18, 2014 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
- (10) Twenty-five percent of this restricted stock grant vested on October 1, 2014 and thereafter 1/4th of the restricted stock grant will vest on October 1 of each year for three years.
- (11) Twenty-five percent of this option grant vested on October 1, 2014 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
- (12) Fifty percent of this restricted stock grant vested on November 1, 2015 and thereafter 1/4th of the restricted stock grant will vest on November 1 of each year for two years.
- (13) Twenty-five percent of this restricted stock grant vested on October 1, 2015 and thereafter 1/8th of the restricted stock grant will vest on April 1 and October 1 of each year for three years.
- (14) Twenty-five percent of this option grant vested on October 1, 2015 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
- (15) Twenty-five percent of this restricted stock grant vested on October 1, 2016 and thereafter 1/4th of the restricted stock grant will vest on October 1 of each year for three years.
- (16) These restricted shares will vest, if at all, based on the Issuer's achievement of certain financial milestones.
- (17) Twenty-five percent of this option grant vested on October 1, 2016 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
- (18) This option becomes exercisable, if at all, based on the Issuer's achievement of certain financial milestones.
- (19) Represents the vesting of restricted stock
- (20) Represents reporting person's advance election to sell upon vesting such restricted shares

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.